

Revised
June 20, 1986

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: TRANSFER OF CONTROL UNDER LAND DISPOSITION
AGREEMENT BETWEEN THE BOSTON REDEVELOPMENT
AUTHORITY AND IMMOBILIARE NEW ENGLAND

WHEREAS, The Boston Redevelopment Authority (the "Authority") has entered into a Land Disposition Agreement, dated December 7, 1978, with Immobiliare New England, a Massachusetts joint venture partnership of Immobiliare Boston Inc. and Canopus Ltd. ("INE"); and

WHEREAS, the Authority and INE, by Amendment dated July 12, 1984, have previously amended the Land Disposition Agreement in certain respects; and

WHEREAS, under the Land Disposition Agreement, no transfer or change in the controlling legal or beneficial interest in INE and no transfer of the rights of INE under the Land Disposition Agreement may be made without the consent of the Authority; and

WHEREAS, pursuant to the requirements of the Land Disposition Agreement, INE has notified the Authority of a proposed transfer of the stock of the Geselfi Holding, B.V., a Netherlands corporation, which transfer, together with the resulting reorganization of Geselfi and its subsidiaries, would result in transfer of the controlling legal or beneficial interests in INE to an entity controlled by Neil St. John Raymond and having, as additional limited participants, Merrill Lynch Interfunding Inc. and Asian Oceanic Inc.; and

WHEREAS, INE has submitted to the Authority information sufficient to enable the Authority to evaluate the acceptability of the new controlling parties, as required by the Land Disposition Agreement:

NOW THEREFORE, be it resolved by The Boston Redevelopment Authority:

1. That the sale of the stock of the Geselfi Holding, B.V., and the resulting change in the controlling legal or beneficial interests in INE to an entity controlled by Neil St. John Raymond and having Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. as additional limited participants be, and it hereby is, approved;

2. That the Authority hereby consents to the granting of mortgages and other security interests in and to the assets of INE and to the assignment by INE of its rights under the Land Disposition Agreement, to the Bank of New England, Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. (or any one or more of them), agrees that upon the occurrence of any default under any such mortgage or security interest, or under any loan agreement secured thereby, the Bank of New England, Merrill Lynch Interfunding Inc. or Asian Oceanic Inc. (or any one or more of them), as the case may be, shall be entitled to assume and exercise all of the rights of INE with respect to such assets, including all rights of INE as Developer under the Land Disposition Agreement, and agrees that Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. are and shall be recognized as institutional lenders for purposes of the Land Disposition Agreement;

3. That, in connection with all of the foregoing, the Director be, and he hereby is, authorized, for and on behalf of the Authority to execute and deliver such consents, estoppel certificates and other documents as may be reasonably required to carry out the purposes and intent of the foregoing resolutions.

(f) of any transfer of any interest in the Project or any part thereof for utility or like easements necessary to permit the construction and use of the Project or any phase, or portion of a phase.

7.04 Authority's Consent. Where the consent of the Authority to any transfer is required hereby, Developer shall notify the Authority of all parties to whom such transfer is proposed to be made, and such notice shall provide reasonably sufficient information to enable the Authority to evaluate the acceptability of the proposed transferee. The Authority, at any time within thirty (30) days after the giving of such notice of the identity of any such party, shall have the right to notify Developer that it objects to the proposed transfer to such party, and the Authority shall in such notice, specify reasonable grounds for such objection (no such objection shall be made if no reasonable grounds exist). If such objection shall be made by the Authority, such party shall not be a transferee without the subsequent consent of the Authority. If objection is not made by the Authority within such thirty (30) day period or such additional period of time as may be requested by the Authority and reasonably approved by Developer, the proposed transfer shall be deemed to be approved by the Authority.

MEMORANDUM

TABLED: JUNE 12, 1986
JUNE 12, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR;
PAUL L. McCANN, EXECUTIVE ASSISTANT TO THE DIRECTOR;
JAMES ENGLISH, PROJECT COORDINATOR

SUBJECT: TRANSFER OF CONTROL UNDER LAND DISPOSITION AGREEMENT
BETWEEN THE AUTHORITY AND IMMOBILIARE NEW ENGLAND

On December 7, 1978, the Authority entered into a Land Disposition Agreement with Immobiliare New England ("INE"), as developer of a portion of the Charlestown Navy Yard. The Land Disposition Agreement provides for development, on a phased basis, of a total of 27 parcels of land, consisting of Parcels 1A, B, B1 and C, 2A, B, B1 and C, 3A-J, 4A-E, 5 and 6.

Since 1978, INE has completed development Phases I, I-A, III, IV and IV-A, consisting of a 367-unit apartment building at Building 42, a 368 slip marina located at Piers 6 and 8, a 112-unit elderly housing apartment complex at Building 103 and a total of 48 townhouse condominiums at Parcels 3E, 3F, 3H and 3K. An additional 64-unit residential condominium complex is under construction at Pier 7 under license from the Authority and INE is making final preparations for construction of a 154-unit residential condominium complex at Building 197.

INE is a Massachusetts joint venture partnership having Immobiliare Boston Inc., a Massachusetts corporation, and Canopus Ltd., a Delaware corporation, as its sole partners. Immobiliare Boston Inc. and Canopus Ltd. are, in turn, 100% owned by Charlestown Industries Inc., a Delaware corporation. Charlestown Industries Inc. is the wholly-owned subsidiary of Geselfi Holding, B.V., a Netherlands corporation. Geselfi, through its ICOS group of subsidiaries, is an international leader in the field of slurry wall foundations and other specialized underground construction. In the United States, ICOS Corporation of America, the principal construction subsidiary, is responsible for such projects as the foundation of the World Trade Center in New York and the Wolf Creek Dam in Kentucky. Other ICOS subsidiaries are presently involved in construction projects in Hong Kong, Korea, the United Kingdom and other countries. Through Charlestown Industries, Geselfi also owns certain oil and gas properties in the United States.

The sole stockholder of Geselfi is Cunaxa International, N.V., a Netherlands Antilles corporation. Mr. Neil St. John Raymond, acting through a Massachusetts corporation known as RCC International Corp., has entered into an agreement with Cunaxa

to purchase all of the stock of Geselfi, and thus acquire the world-wide construction activities of the ICOS group, as well as INE. This transaction will be carried out through a reorganization of all of the Geselfi subsidiaries which will ultimately result in transfer of control of INE to a new entity controlled by Neil St. John Raymond and having as additional limited participants Merrill Lynch Interfunding Inc., and Asian Oceanic Inc. In addition, as a part of the financing, both Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. will be advancing a portion of the funds in the form of debt to be secured by liens upon various assets of Geselfi, including the rights of INE under the Land Disposition Agreement and mortgages on the various Navy Yard properties owned by INE. Additional debt financing is to be provided by the Bank of New England.

Mr. Raymond, a resident of Ipswich, Massachusetts, and managing director of the Raymond Cattle Company, is a graduate of Yale College and the Harvard Graduate School of Design and has been involved in real estate development in the City of Boston since the early 1970s. Included among his projects have been restoration and rehabilitation of the former Record American building at One Winthrop Square, the Exeter Street Theatre, 21 Merchants Row, 277 Dartmouth Street and the Governor Oliver Ames Mansion in the Back Bay. Other recent projects include acquisition and renovation of 20 Charles Street, development of the residential condominium unit portion of the addition to the Ritz-Carlton Hotel and participation in the conversion of the former Parkway Hospital building in Brookline into residential apartment units. Mr. Raymond is also involved in the management and operation of agricultural properties in Florida, principally the construction and operation of citrus groves through Turner corporation, a Florida corporation of which he is the majority controlling stockholder, and through Agricultural Management Services, Inc., an agricultural management company controlled by Mr. Raymond and also located in Florida.

Merrill Lynch Interfunding Inc. is a wholly-owned subsidiary of Merrill Lynch Capital Resources, Inc., itself a subsidiary of Merrill Lynch & Company, the public parent company. Asian Oceanic Inc. is the New York investment banking subsidiary of the Asian Oceanic Group, an Asian merchant bank with head offices in Hong Kong which is 41% owned by the Cigna Corporation.

Under the Land Disposition Agreement, INE is required to obtain the consent of the Authority in connection with any transfer or change in the controlling legal or beneficial interest in INE. In the event that any such transfer is contemplated, INE is required to notify the Authority of the proposed transferee and supply sufficient information to enable the Authority to evaluate the acceptability of the proposed transferee. In the absence of reasonable objection by the

Authority, the transfer is deemed approved. At this time, INE is requesting that the Authority approve the transfer of stock in Geselfi to Mr. Raymond and the resulting transfer of control of INE to an entity controlled by Mr. Raymond and having Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. as additional participants. As part of the same transaction, INE is requesting confirmation of the acceptability of Merrill Lynch Interfunding and Asian Oceanic as institutional lenders with respect to INE and the various Navy Yard properties and certain estoppel certificates and other ancillary documents.

It is therefore requested that the Authority consent to the proposed transfer, confirm the status of Merrill Lynch Interfunding and Asian Oceanic as institutional lenders and authorize the Director to issue such estoppel certificates and other documents as may be necessary to evidence the same.

Appropriate resolutions are attached.

Attachment

June 6, 1986

BY HAND

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
City Hall
Boston, MA 02201

Re: Immobiliare New England/Charlestown Navy Yard

Dear Mr. Coyle:

As I have discussed with you over the past few weeks, the owners of Geselfi Holding, B.V., the ultimate parent corporation of the Immobiliare New England joint venture, have entered into an agreement to sell the stock of Geselfi Holding, B.V. to RCC International Corporation, a Massachusetts corporation owned by Mr. Neil St. John Raymond. This transaction, which has been underway for several months, involves the acquisition by Mr. Raymond of the world-wide assets of Geselfi, which include the ICOS Group of construction companies, of which, as you know, I am President, certain oil and gas investments and other assets and Immobiliare New England.

The Land Disposition Agreement between the Authority and Immobiliare New England requires the consent of the Authority to any transfer or change in the controlling or beneficial interest in the developer (Immobiliare New England). In connection with any such proposed transfer, the developer is required, under Section 7.04 of the Land Disposition Agreement, to give the Authority notice of all parties to whom such transfer is proposed to be made together with sufficient information to enable the Authority to evaluate the acceptability of the proposed transferee. The Authority then has a period of thirty (30) days to raise any reasonable objection to the proposed transferee; in the absence of any response from the Authority, the transfer is deemed approved.

The purpose to this letter is to request formally that the Authority approve the transfer of stock in Geselfi and the resulting change in control with respect to Immobiliare New England. The proposed transfer, and the resulting reorganization of the various Geselfi subsidiaries, will result in control of Immobiliare New England being transferred to an entity controlled

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by Mr. Raymond, with Merrill Lynch Interfunding Inc. and Asian Oceanic Inc. acquiring the balance of the equity. (Mr. Raymond will hold, directly or indirectly, at least a 50% interest, twenty percent will be held by Merrill Lynch Interfunding and Asian Oceanic will own the balance of up to thirty percent.) Merrill Lynch Interfunding Inc., Asian Oceanic Inc. and The Bank of New England will also be providing debt financing in connection with the acquisition.

Mr. Raymond, a resident of Ipswich, Massachusetts, and managing director of the Raymond Cattle Company, is a graduate of Yale College and the Harvard Graduate School of Design and has been involved in real estate development in the City of Boston since the early 1970s. Included among his projects have been restoration and rehabilitation of the former Record American building at One Winthrop Square, the Exeter Street Theatre, 21 Merchants Row, 277 Dartmouth Street and the Governor Oliver Ames Mansion in the Back Bay. Other recent projects include acquisition and renovation of 20 Charles Street, development of the residential condominium unit portion of the addition to the Ritz-Carlton Hotel and participation in the conversion of the former Parkway Hospital building in Brookline into residential apartment units. Mr. Raymond is also involved in the management and operation of agricultural properties in Florida, principally the development, construction and operation of citrus groves through Turner corporation, a Florida corporation of which he is the majority controlling stockholder, and through Agricultural Management Services, Inc., an agricultural management company controlled by Mr. Raymond and also located in Florida.

Merrill Lynch Interfunding Inc. is a wholly-owned subsidiary of Merrill Lynch Capital Resources, Inc., itself a subsidiary of Merrill Lynch & Company, the public parent company. Asian Oceanic Inc. is the New York investment banking subsidiary of the Asian Oceanic Group, an Asian merchant bank with head offices in Hong Kong which is 41% owned by the Cigna Corporation. For your information, copies of recent financial statements for both of these entities and for Mr. Raymond are enclosed.

The foregoing reflects the contemplated transaction and parties in general terms. Our counsel, A. Jeffrey Dando of Goodwin, Procter & Hoar, and Mr. Raymond's counsel, Timothy T. Hilton of Sullivan & Worcester, have been in direct contact with Paul McCann regarding the specific resolutions and approvals requested. Assuming that all this documentation is in order, we would very much appreciate having this matter placed upon the agenda for next Thursday's meeting of the Authority.

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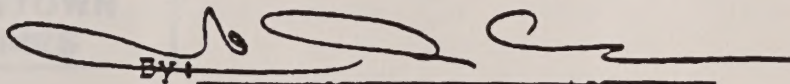
Following the sale of Geselfi, I will be continuing on in my position of President of the ICOS Construction Group and expect to remain very much involved in development of the Immobiliare projects. We view this transaction as bringing substantial benefits to Immobiliare in terms of both local control and the presence of substantial new financial partners and we hope that you share our excitement.

As always, thanks for your cooperation.

Very truly yours,

IMMOBILIARE NEW ENGLAND

By: Canopus, Ltd. Joint Venturer


By: Arturo L. Rassi di Cervia,
President

Enclosures

cc: Mr. Paul L. McCann
Mr. Neil St. John Raymond

ACQUISITION OF INTERESTS BY R C C INTERNATIONAL CORP.

NETHERLANDS ANTILLES
CORP.

CUNAXA

PROPOSED ACQUISITION

R C C INTERNATIONAL CORP.
(NEIL ST. JOHN RAYMOND)
MASS. CORP.

NETHERLANDS CORP.

GESELF
HOLDING B. V.

I C O S

DELAWARE CORP.

CHARLESTOWN
INDUSTRIES

MASS
CORP.

IMMOBILIARE
BOSTON

CANOPUS LTD.

DELAWARE CORP.

I N E

MASSACHUSETTS CORP.

MEMORANDUM

JUNE 26, 1986

Voted

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: PAUL L. McCANN
EXECUTIVE ASSISTANT TO THE DIRECTOR

RE: SUPPLEMENTAL INFORMATION RE THE PROPOSED
TRANSFER OF CONTROL UNDER LAND DISPOSITION AGREEMENT
BETWEEN THE BOSTON REDEVELOPMENT AUTHORITY AND
IMMOBILIARE NEW ENGLAND

At its June 12, 1986 meeting, the Board considered the request of Immobiliare New England ("INE") for approval of transfer of control of the ultimate owner of INE to an entity controlled by Mr. Neil St. John Raymond, as discussed in a letter dated June 6, 1986 from Mr. Arturo L. Ressi di Cervia, the President of INE and in a June 6, 1986 board memorandum. After discussion, the Board made a determination to delay consideration of the proposed transfer pending receipt of further information regarding the proposed transaction. Mr. Raymond will be attending the June 26 meeting of the Board to review the transaction and answer questions. In the interim, I have made further inquiry of INE and wish to furnish the following supplementary information:

Structure of the INE Entities. A chart showing the structure of the various ICOS-related entities described in the June 6 memorandum is attached. Mr. Raymond is acquiring all of the stock of Geselfi Holding, B.V., identified at the top of the chart as "The Company." Geselfi owns all of the stock of Charlestown Industries, Inc., the principal U.S. holding company, which in turn owns the two partners in INE, Immobiliare Boston, Inc. and Canopus Ltd., shown in the lower right hand side of the chart. These two entities and INE will not be affected by the transfer.

Changes in Management. The sale of Geselfi will result in transfer of ultimate control of INE to Mr. Raymond and Mr. Raymond will be involved in management and development of the Navy Yard. There will, however, be no change in existing personnel at INE or its two corporate parents (Immobiliare Boston, Inc. and Canopus Ltd.). Thus Paul Davis will continue to be project manager of the Navy Yard and Arturo L. Ressi di Cervia, President of INE, who has been the principal officer of INE (and its parent corporations) involved in development of the Navy Yard since execution of the original Land Disposition Agreement with INE in 1978, will continue in the same role. It is expected that additional personnel will be added in various

capacities after completion of the transfer as part of Mr. Raymond's plans to accelerate the development process.

Transfer Provisions of the LDA. A copy of Section 7.4 of the original Land Disposition Agreement, governing proposed transfers of control, is attached hereto. This provision was referenced in both Ressi's letter and in the June 6 board memorandum as a matter of background information. There is no question, and INE acknowledges, that a transfer of control, at whatever level, requires the consent of the Authority.

Objectives. Mr. Raymond will address the Board on Thursday with respect to his plans for future development at the Navy Yard, but, in general terms, he is committed to an increased emphasis on residential use, including moderate income housing, and acceleration of the development process for the remaining INE phases.

Counsel for Merrill Lynch Interfunding, Inc. and Asian Oceanic Inc. have requested that the resolution submitted the Board last week with respect to the transfer be clarified to confirm the consent of the Authority to pledge of the rights of INE under the Land Disposition Agreement to the two lenders in connection with the transfer. A revised version of the resolution is attached.

Attachment

